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## Will the so-called sin taxes be education's salvation?

**BOBBY ROSS JR.**  
Associated Press

**DALLAS** – Sin is a politician's friend.

Politicians know that wrapping a tax around a societal vice – be it smoking, gambling or even topless dancers – is usually an easier sale than an across-the-board tax on everybody's home, income or groceries.

From that standpoint, Gov. Rick Perry's focus on taxing "unhealthy behaviors" as he seeks to fix Texas' school financing system is a brilliant move, experts say.

"Americans always talk about taxes as if they were a kind of sin," said James Morone, a Brown Uni-

versity political scientist. "So for a politician, the way to inoculate yourself is, you find a bigger sinner and you turn it on them."

In a special session that starts Tuesday, lawmakers will debate Perry's plan to eliminate the share-the-wealth system known as Robin Hood, which redistributes property tax revenue from wealthy school districts to poorer districts.

Among Perry's proposals for lowering property taxes: a \$1 per pack increase in the state's cigarette tax, up from its current 41 cents per pack; a \$5 state tax on admissions to adult entertainment; and the legalization and tax-

ation of video lottery terminals at race tracks and Indian casinos.

In the last few years, many states have looked to "sin" as a salvation for budget woes, from raising taxes on cigarette and alcohol sales to loosening restrictions on gambling. In Utah, lawmakers last year imposed a 10 percent tax on sexually explicit businesses – nicknamed the "topless tax" – to generate money for treatment of sex offenders.

"The electorate simply does not get as up in arms over a sin tax on

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**MORE ON SCHOOL FINANCES**  
• Religious leaders speak out  
against video lottery terminals.  
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# SALVATION

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the whole as it does on a one-tenth of 1 percent increase in the sales tax," said Verenda Smith, spokeswoman for the Federation of Tax Administrators, a Washington-based group of tax and revenue department officials from all 50 states.

Nineteen states increased cigarette taxes last year, according to the National Conference of State Legislatures. And liquor also has been a frequent target.

Tennessee this year began a state lottery to fund college scholarships and education projects, becoming the 48th state with some form of legalized gambling. The lone gambling-free zones are Utah and Hawaii.

Texas approved gambling on horse and dog races in the mid-1980s after the oil bust caused a state budget crisis. A state lottery, sold to voters as a boon to education, was passed in 1991 as Texas faced another budget shortfall. The lottery generated roughly \$900 million for Texas schools last fiscal year.

Perry estimates cigarette and tobacco tax increases could generate \$2.4 billion in Texas' two-year budget cycle, and the video lottery tax \$2 billion. The adult entertainment tax would bring in a projected \$90 million.

Overall, Texas spends about \$40 billion, or roughly \$10,000 per student, on K-12 education. State money accounts for about

half of that. The rest comes from federal and local sources.

Still, Perry's proposal raises a tricky moral quandary: How can government officials condemn certain behaviors while at the same time depend on them to fund important programs?

"The thing you allegedly want to do with a sin tax is reduce the activity," said William K. Black, a University of Texas public finance professor who has written about the "twisted morality" of sin taxes. "Of course, if you reduce it too successfully, you cut off your revenue stream. You end up with no money and then your fiscal projections go all to hell."

The unstable nature of sin taxes is what concerns Michael Quinn Sullivan, spokesman for the Texas Public Policy Foundation, a conservative think tank based in San Antonio.

"What happens tomorrow if people stop smoking or people stop going to strip clubs?" Sullivan said. "What does that do to education?"

Perry acknowledged that scenario last week while speaking at a middle school in Sugar Land.

"The fact of the matter is I hope people quit smoking. It's a bad behavior," Perry said. "These are fees we are putting on people and they will choose whether or not they ... are going to smoke, whether or not they are going to use a video lottery terminal."

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